

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF VIRGINIA  
ROANOKE DIVISION

UNITED STATES OF AMERICA :

v. :

DAVID A. CROWLEY :

Case No. 7:17-cr-00080

**FACTUAL BASIS**

If this matter proceeded to trial, the United States of America would prove the following facts beyond a reasonable doubt with admissible and relevant evidence:

1. Defendant David A. Crowley ("Crowley") is a resident of Greensboro, North Carolina who owns and operates Southern Logistics and Environmental, LLC ("SLE"), a waste management and disposal company.

2. As early as 2006 and continuing through at least 2013, SLE contracted with television retailer QVC to dispose of cosmetic products that were returned to QVC by customers.

3. Instead of destroying and disposing of the returned cosmetic products as required under the contract, Crowley distributed the returned cosmetic products to other individuals, including his ex-wife, Charon Ray, and friend, Christina Dyer, who would then sell the returned cosmetic products through online marketplaces. In return, Crowley received a portion of the net sales of the returned cosmetic products.

4. A large portion of the returned cosmetic products were sent or transported to a residence in Vinton, Virginia, in the Western District of Virginia, and to other locations, for purposes of sale by another individual.

5. Crowley did not report any of these net proceeds from the returned cosmetic product sales as income on individual income tax returns that he filed from 2006 through 2013, not including 2011, when he did not file an income tax return at all (hereinafter "the relevant tax years").

6. For the relevant tax years, Crowley received a total unreported income of at least \$3,331,341 through the returned cosmetic product sales scheme, which was more than the total income he reported on his individual income tax returns for those years, as depicted in the chart below:

Year	Reported Income	Unreported Income	Tax Loss
2006	60,991	191,518	58,772
2007	70,592	338,774	110,201
2008	67,714	486,482	159,699
2009	180,445	300,547	101,683
2010	183,096	485,685	166,179
2011	Did Not File	597,020	—
2012	178,372	545,411	168,074
2013	82,190	385,904	131,046
Totals	\$ 823,400	\$ 3,331,341	\$ 895,654

7. In total, Crowley caused a total tax loss of \$895,654 to the Internal Revenue Service for the relevant tax years.

8. When preparing, signing, and filing his individual income tax returns for the relevant tax years, Crowley knew that he was required to report the income that he

received from the returned cosmetic product sales, but willfully omitted that income from his income tax returns for those years.

9. Crowley signed his individual income tax returns for the relevant tax years, under the penalties of perjury, even though he did not believe the returns to be true and correct as to every material matter.

10. After his initial interview with Internal Revenue Service – Criminal Investigation (“IRS-CI”), Crowley asked his income tax return preparer to prepare amended returns for 2006 through 2011 with unexplained amounts of additional income, but Crowley never filed the amended returns with the IRS.

11. After denying all involvement in the returned cosmetic product scheme during his initial interview with IRS-CI, Crowley later corrected these statements and admitted his involvement in the scheme to IRS-CI.

12. Crowley engaged in the conduct described above willfully and knowingly and not because of accident, mistake, or other innocent reason.

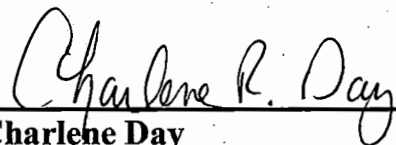
Respectfully submitted,

**RICK A. MOUNTCASTLE**  
Acting United States Attorney

BY:


Date:

12/19/17

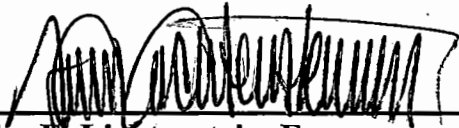
  
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**Charlene Day**  
Assistant United States Attorney

**Seen and Agreed to:**

**Date:** 12/19/2007

  
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**DAVID A. CROWLEY**  
**Defendant**

**Date:** 12/19/2017

  
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**John E. Lichtenstein, Esq.**  
**Counsel for the Defendant**